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# Causes of Business Depressions

—OR—

# Speculations' Sequence

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## CAUSES OF BUSINESS DEPRESSIONS



USINESS depressions are caused by enforced underconsumption by labor, following as a result of high-priced products, induced by speculation in lands.

¶ Through unjust, inequitable and monopolistic land laws, permitting private property in lands, individual ownership of lands, labor is denied equal opportunity of access thereto whereon to independently produce the necessary means of independent existence.

Before the days of invention and factories, land monopoly resulted, as to-day, in tying the hands of labor. Labor, being without free access to the lands, was speculated both in and upon by the landholders.

This speculation, operated through the exaction of land rental charges from the non-land-owners, also operated through the enforced acceptance by these landless persons of an unjust wage system wherein labor was paid only a portion of the value of the product which labor alone produced. Labor, being denied ready access to lands whereon to produce, *must* agree to such exploitation or starve.

A third system of land speculations develop through the sale of lands, the sale value being wholly based on the number of landless persons requiring lands whereon to produce the means of existence.

Ownership of lands also carries ownership of products. Herein lies an additional opportunity to speculate off of the necessities of the non-land-owners through an arbitrary profit exacted through the sale of products to all of those without the means of producing the same; all products being derived from lands. Our present land laws operate to create a large non-owning class.

In addition to these advantages held by the land-owning class over the non-land-owning class is opened wide the doors of opportunity for further plucking—through exacting interest for the use of money. This is a direct misuse of the purpose of money, which is a medium of exchange of product for product. Labor performed is a product. The product of that labor is a certificate or evidence of production. For convenience this is exchanged for another certificate—called money. Interest on money originated through the monopoly of the means of production—the lands.

Through various causes of inability to work, misfortunes, sickness and also enforced unemployment of many out of the vast numbers of non-land-owners wherein they must acquire means of existence or starve. Out of this condition was our system of interest invented—a most holy(?) graft. Money, being a certificate of production, interest on money can be nothing other than usury, even though legalized by unholy statutes.

With a greater number of the entire population being without lands (this has prevailed for several thousand years), for the reason that unjust and inequitable land laws have ever prevailed, those without land have always been objects of exploitation through rent profits—wage profits—interest profits and profits from the very products which labor created for the land owner, but could have created for itself had an equitable sys-

tem been provided to give labor an equal opportunity to acquire access to the lands.

The non-land-owning class, knowing their disadvantage and realizing the series of speculations engaged in by the land owning class has ineffectually made efforts to amend the laws, and failing have sought relief by acquiring by purchase (the only way sanctioned by the land-owning-law-making class) such lands as the owners may consent to sell; thereby endeavoring to escape "wage speculation" or "rent speculation," as well as "product speculation," and, possibly, "money interest speculation." Each also having a desire to become a land-owning speculator in turn at the first opportunity, though rarely realized.

This unending demand for land by the non-possessors thereof created the final opportunity for the last grand speculation by the land owners, and this is realized in the final sale price, such sale price being wholly based upon the number of landless applicants or supplicants clamorous for lands.

This clamor to escape such grafting speculations frequently warranted the landless class in agreeing to pay interest on the deferred payment. In this manner is interest firmly though unrighteously established. It being wholly intrenched in our monopolistic land tenure laws, its spread is but a natural consequence.

In considering monopoly of lands, such monopoly in order to prove extremely injurious to mankind need not necessarily extend to *all* lands, but only to desirable lands. Desirable lands must be inhabitable and productive, as well as accessible to other human habitations, markets and supplies, all of which are inseparable in making human life wholesome, desirable and companionable. Human life cannot be complete, nor can human

welfare advance without these environs. If mere existence of a few were the desireratum, complete—not half—cannibalism should be the acme sought.

In later years, with the advent of manufacturing and production on a large scale, and with our land laws remaining the same as in the Middle Ages, all non-land-owning labor, which formerly had necessarily sought employment from the land owning class—the only employers in existence—now sought employment in mills, factories, mines, stores, etc., there to be speculated in, as on lands, through the wage system.

Wherever the employment required extreme skill or ability those few qualifying could, and did, exact a lessening amount of speculation off of their individual services by way of higher wage demands.

Those with less skill resorting to labor unions for semi-protection.

Those without skill and unorganized being wholly helpless, as witness women, children and plain laborers. The competition for business, on the other hand, by the employer, renders him powerless to increase wages unless the wage workers can enforce such advance in general, which, owing to our land laws, makes such independent action by labor inoperative—the lands not having been freed.

With the advent of manufacturing on a large scale, the land laws being the mainstay of interest, those having accumulated money readily saw vast opportunities to monopolize and speculate in lands containing ores, oils, mineral, stone, marble, clay, wood; and, in fact, everything which humans need and use. By possessing the supply of raw materials through the use of accumulated money, also to build factories and thus produce many necessities, luxuries and utilities, the avenue to

further speculate in money, products and labor became vastly extended. With all these changes operating in favor of further speculation, labor became more helpless than before.

Factory production, began in a small way, gradually became concentrated into the hands of those possessing the greatest amount of money wherewith to possess the means affording the greatest opportunities of speculation. Competition forcing the issue and land monopoly and hand-tied labor being the tools of exploitation. Thus the tools are used in their own exploitation.

Beginning first with production: Competition is forcing, and accumulated money is clamoring to, and is rapidly extending to distribution of products on the same large scale.

Thus the small business speculator who was first driven to small shop keeping and hand manufacturing, though the ancient operation of inequitable land laws is again finding the door of opportunity nearly closed.

Monopoly of money being even more injurious to the welfare of the people than is monopoly of lands. For the reason that for such time as speculation in lands, products, labor and interest is permitted those possessing vast amounts of money will so invest it. Each additional investment speculation taking so much more from the productive earnings of the masses.

A small minority represents the speculating class, while the vast majority is the object of such speculations.

All products come from land, causing constant desires to possess land in order to produce and speculate, as well as desires of a multitude to escape exploitation through the rental and wage systems. This causes land values to constantly rise. High priced land compel high

priced products from the lands, for the reason that all values are estimated on an interest percent basis.

With labor sadly handicapped and unable to increase wages in a relative proportion with advancing living expenses—product values—due to land speculations, labor must retrench in its expenditures. Or, in other words, the dollar not buying as much products as formerly, labor must spend its money for necessities and less for factory produced utilities, and none for luxuries, including farm product luxuries. Therefore factory production is first to experience an overproduction; which, in reality, is underconsumption by labor.

Closing factories releases employed labor. This still further tends to reduce factory products *and farm products'* consumption, also compelling labor to buy only the cheapest necessities. Closing factories and unemployment of labor frightens money. It hides away—will no longer seek further speculation at interest under uncertain business conditions, even on ordinarily good security.

Frightened money stops all business, land, building, factory and other speculations.

*Enforced underconsumption by labor, thereby causing falling product values, being the primary cause of all disturbances; thereby operating to reduce highly speculated land values and farm values.*

Frightened money adds to the chaos by stopping all further speculation, causing reductions in all values. Underconsumption, frightened money, closing factories, stoppage of speculations, falling product values, all working in unison, each crowding and pulling down the other, results in *lowering land values, land values being the principal basis of all speculations on account of being considered safer, sounder, more impervious to*

*weather conditions, theft, rot and decay, as well as contributing the means of all human existence.*

This reaction will not cease until land values have fallen below their actual productive value and equally far below all future speculative values.

All the money that labor could save would but add impetus to higher land values, to be followed by a more extensive and severe crash.

Therefore economical living by labor and all others would be ineffective in preventing business depressions due to speculation and particularly to land speculations made possible by land monopoly.

Whenever land values have reached such low prices as to show evidence of being no lower, speculation in lands will again resume; but not before many farm and city properties have had mortgage foreclosures and sales far below their former speculative and equally actual values, carrying ruin to all classes, including business men, tenant farmers and those possessing encumbered farms. Whereupon a resumption of speculation in lands will gradually begin and continue for a like period of years as before; heretofore constituting from about seventeen to twenty years; whereupon another crash is inevitable. Observe the period of depression from 1892 to 1896 from this cause. Beginning twenty-one years ago and ending seventeen years ago.

Unless bolstered up by increased speculative activity, such as extraordinarily large crops, opiates and nostrums administered in the way of tariffs and higher tariffs, inspired publication of speculative creating articles or by increased money circulation—all calculated to, and operating to, temporarily ward off the impending and inevitable crash.

Under our speculative and monopolistic land laws,

operating to tie the hands of labor from independent production, labor's wage cannot advance in exact proportion to the price of products which labor consumes; and as product prices must follow land prices, it is quite evident that these periodical re-adjustments of values must take place and will continue to do so until such time as the original cause is removed—*i. e.*, land speculation. Land speculation, by creating the opportunity for these other speculations, is the parent of most all of the poverty for several thousand years.

Monopolistic land laws, by tying the hand of many, thereby creates the unjust opportunity of speculating in their labor on the lands, operating through the wage system; and equally creates the same unjust opportunity wherever labor seeks employment, be it in mines, mills, factories, stores or elsewhere.

Land monopoly, by permitting speculations therein, also permits of speculation in products. These speculations provide the way for enforced speculation in labor --against labor's will—and equally pave the way for speculation in money (interest). Add to this, speculation in specially granted privileges, such as land grants, water grants, franchises, corporate laws for the assembly of money, all producing the one product—money; which in turn is used for all manner of further speculations in each and all of these, at one and the same time. Thus completing a complete circle of speculations from which the non-speculating class—the class being speculated upon—can find no means of escape. It is this system of speculations that has completely wrecked the economic welfare of every nation that has ever been established. Therefore, unerringly *all* of the sources of productiveness *must* be slowly and gradually absorbed and gathered into the maw of that ever diminishing class enjoying ever increasing opportunities of

additional speculations off of the ever increasing exploited class. This is made possible by the increasing sums of money constantly being concentrated from these ever increasing aggregate of monopolies continuously annexing additional ones, until finally, through enforced poverty of the masses, civilization has failed.

The reason of this history of nations lies in the fact that the speculating class has ever possessed and never relinquished the power of making and enforcing the laws, and, as a consequence, have always made such laws in their own interest.

## MINORITY-MADE LEGAL LAWS VS. MORAL JUSTICE

Are not the following laws unjust?

Laws creating unequal opportunity to any person.—  
Laws denying one the means of providing an existence.—  
Laws creating a helpless class; thereby causing poverty, distress, uneasiness, depression, oppression and loss of the product of labor, effort and persistence.—  
Laws permitting toll exactions from the law-made helpless class. All of these conditions may be observed in our present and past monopolistic land laws.

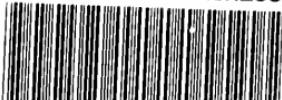
And again: Laws creating the opportunity to extort, and thereafter permitting extortion of a law-made helpless class. This condition may be observed in our land laws and our interest laws, both of which create and re-create opportunity for speculation in both Products and Labor.

Owing to our enormous factory output and to land monopoly permitting monopoly of supplies of raw materials off the lands, thereby permitting unusual speculation therein, as well, as in the sale price of the products manufactured therefrom, this monopolistic specu-

lation in raw material and finished products, which are frequently accelerated by combines, etc., is equally responsible for high prices as is farm land monopoly; and is equally responsible for continuous re-acting periods of "business depressions," as well as being equally guilty of and responsible for enforced labor speculation. Thereby further providing the opportunity for increased speculation in money. All of which tends to further reduce labor-wages' purchasing power, which practically stands still, while the necessities which labor must buy is constantly being advanced in value. When this condition becomes sufficiently acute, a gradual reduction in consumption sets in which finally ends in an enforced stoppage of all but bare necessities. This is the first step towards a general re-adjustment of values to be attended by the customary chaotic conditions, unnecessarily made-by-law unavoidable.

It is this system of speculation that has completely wrecked the economic welfare of every nation established. It is responsible for what is termed unending class wars, which must continue until such time as the majority assumes complete control of all law making and all law enforcement. Should this majority err, one may depend upon that majority to quickly take notice and to rectify the mistake, else that majority suffer the consequences, this being quite improbable for any length of time.

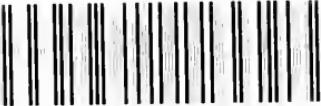
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